

# HARGROVE, SMELLEY & STRICKLAND

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OF COUNSEL  
WILLIAM G. CONLY

November 16, 2004

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A; Cotton Valley Formation,  
Reservoir A; and Lower Cotton Valley Zone, Reservoir  
A; ELM GROVE FIELD, Bossier and Bienville  
Parishes, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; all in the Elm Grove Field, Bossier and Bienville Parishes, Louisiana:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Hosston Zone, Reservoir A, such unit being shown on an attached plat and being designated HOSS RA SU131.
2. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such unit being shown on an attached plat and being designated CV RA SU142.
3. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Lower Cotton Valley Zone, Reservoir A, such unit being shown on an attached plat and being designated LCV RA SU92.
4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
5. To approve the drilling of a unit well and three (3) alternate unit wells for each of the proposed units at the locations shown on the attached plats, in exception to the well location provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972 (applicable to the Hosston Zone, Reservoir A), Office of Conservation Order No. 361-B, effective October 1, 1973 (applicable

to the Cotton Valley Formation, Reservoir A), and Office of Conservation Order No. 361-E, effective July 16, 1996 (applicable to the Lower Cotton Valley Zone, Reservoir A).

6. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

7. To authorize the downhole combination of production from the Lower Cotton Valley Zone, Reservoir A; the Cotton Valley Formation, Reservoir A; and the Hosston Zone, Reservoir A; or any combination thereof, in the wellbore of any well drilled on the additional units proposed herein.

8. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972, as amended and supplemented by the Order No. 361-A series of Orders, to the proposed additional unit for the Hosston Zone, Reservoir A.

9. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-B, effective October 1, 1973, as amended and supplemented by the Order No. 361-B series of Orders, to the proposed additional unit for the Cotton Valley Formation, Reservoir A.

10. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 361-E, effective July 16, 1996, as amended and supplemented by the Order No. 361-E series of Orders, to the proposed additional unit for the Lower Cotton Valley Zone, Reservoir A.

11. To discuss such other matters as may be pertinent.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, is defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, is defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and Office of Conservation Order No. 361-B-6, effective May 24, 1978.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Bossier, Caddo, Webster and Bienville Parishes, Louisiana, is defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect such data should call Mr. Joe Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which

Honorable James H. Welsh  
November 16, 2004  
Page 3

is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

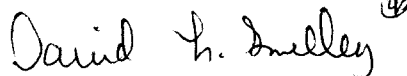
Applicant has heretofore received from you a waiver of the pre-application notice requirements and Rule 3 of the Revised Rules of Procedure effective October 11, 1983; and, therefore, Applicant has not considered such requirements applicable.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats is enclosed herewith and a copy of this letter and of each of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties as shown on the attached list. If any of these parties desire to confer with Applicant concerning these proposals, they are hereby notified that a conference will be held at 11:00 A.M. on December 2, 2004, at the offices of the undersigned. Any person intending to attend the conference is requested to so notify the undersigned at (318) 429-7200.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,



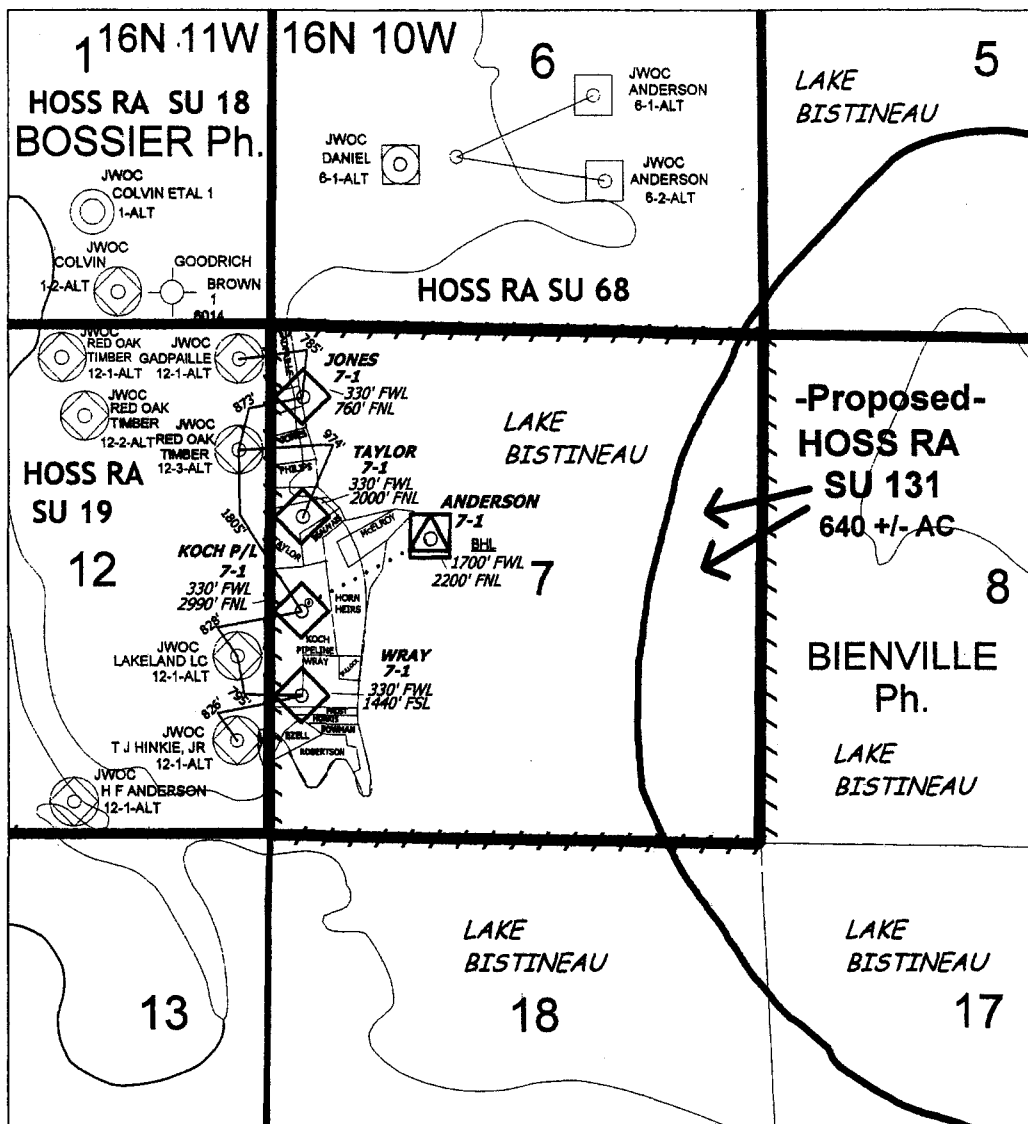
-- David L. Smelley  
Attorney for J-W Operating Company

DLS:dp

Enclosures

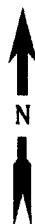
cc: Mr. Jim Broussard (w/encls.)  
Mr. Jerry Wooten (w/encls.)  
Mr. Joe B. Adams (w/encls.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)





#### LEGEND

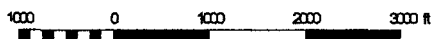
- Existing Units 361-A series
- △ Proposed Unit Well
- ⊙ Unit Well
- ⊕ Pending Unit Well
- ◇ Proposed Alternate Unit Well
- ⊕ Pending Alternate Unit Well
- ⊙ Approved Alternate Unit Well
- Posted Wells to Hosston Producers Or Deeper

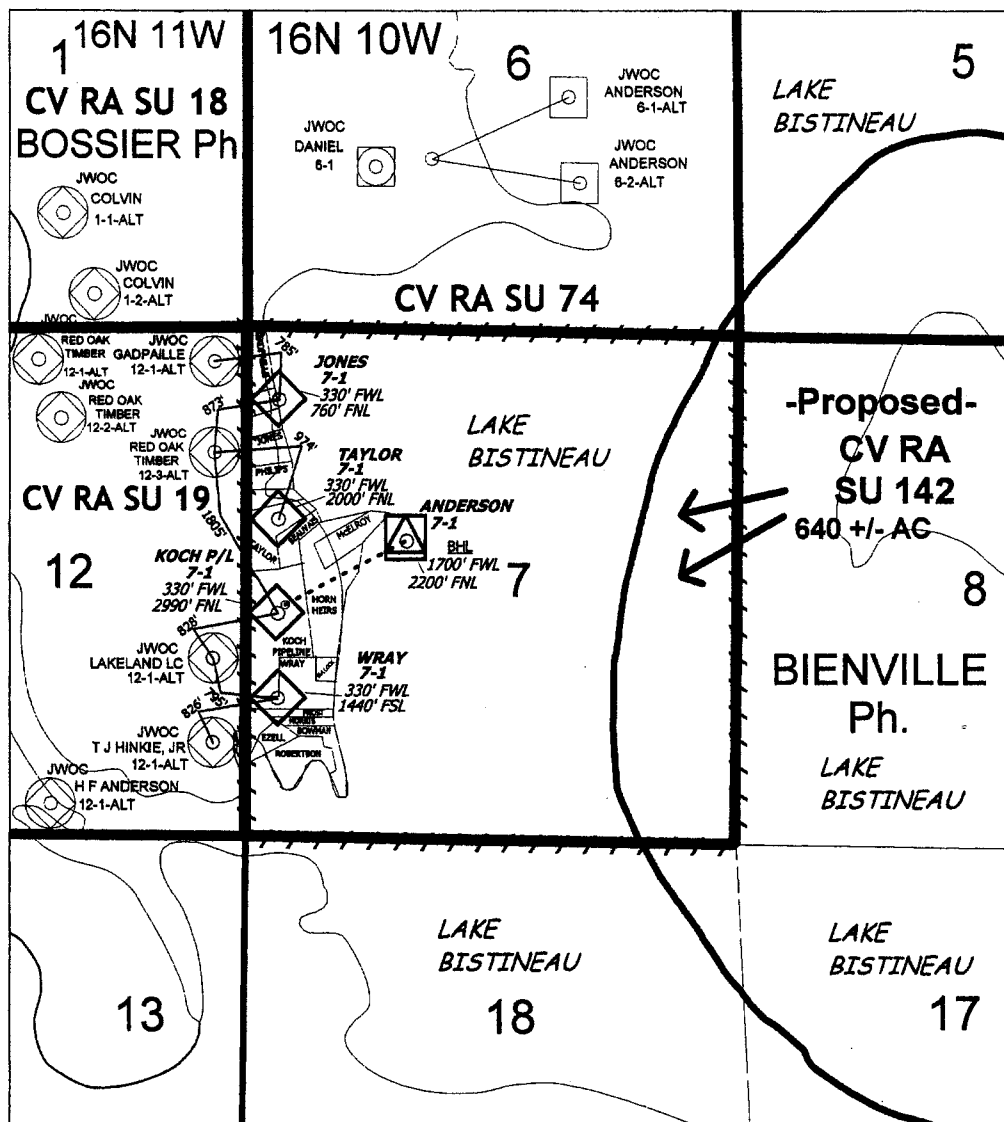


#### J-W OPERATING COMPANY

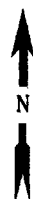
Unit Plat - Hosston Zone  
Reservoir "A" Elm Grove  
Bossier & Bienville Phs., La.

|           |                    |            |
|-----------|--------------------|------------|
| Date:     | Witness: Joe Adams | Docket No. |
| Exhibit 1 | Scale: 1"= 2000'   | 04-??      |





| LEGEND               |                              |
|----------------------|------------------------------|
|                      | Existing Units, 361-B series |
|                      | Proposed Unit Well           |
|                      | Unit Well                    |
|                      | Pending Unit Well            |
|                      | Proposed Alternate Unit Well |
|                      | Pending Alternate Unit Well  |
|                      | Approved Alternate Unit Well |
| Posted Wells > 8300' |                              |



| J-W OPERATING COMPANY.  |                    |             |
|---|--------------------|-------------|
| Unit Plat - Cotton Valley Formation<br>Reservoir "A" Elm Grove Field<br>Bossier & Bienville Phs., La. |                    |             |
| Date:   | Witness: Joe Adams | Docket Nos. |
| Exhibit 1   | Scale: 1"=2000'    | 04-??       |

